

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Adv. Case No. 08-01789-smb

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5 In the Matter of:

6 BERNARD L. MADOFF INVESTMENT SECURITIES, LLC,

7 Debtor.

8 - - - - - x

9 SECURITIES INVESTOR PROTECTION CORPORATION,

10 Plaintiff-Applicant,

11 v.

12 BERNARD L. MADOFF INVESTMENT SECURITIES, LLC,

13 Defendant.

14 - - - - - x

15

16 U.S. Bankruptcy Court

17 One Bowling Green

18 New York, NY 10004

19

20 April 16, 2015

21 10:07 AM

22

23 B E F O R E :

24 HON STUART M. BERNSTEIN

25 U.S. BANKRUPTCY JUDGE

1 Hearing re: Omnibus Interim Fee Applications

2

3 Hearing re: Seventeenth Application of Trustee and Baker &
4 Hostetler LLP for Allowance of Interim Compensation

5

6 Hearing re: Application of Schiltz & Schiltz as Special
7 Counsel to the Trustee for Allowance of Interim Compensation

8

9 Hearing re: Application of Higgs & Johnson (formerly Higgs
10 Johnson Truman Bodden & Co.) as Special Counsel to the
11 Trustee for Allowance of Interim Compensation

12

13 Hearing re: Application of Soroker - Agmon as Special
14 Counsel to the Trustee for Allowance of Interim Compensation

15

16 Hearing re: Application of Graf & Pitkowitz Rechtsanwälte
17 GmbH as Special Counsel to the Trustee for Allowance of
18 Interim Compensation

19

20 Hearing re: Application of SCA Creque as Special Counsel to
21 the Trustee for Allowance of Interim Compensation

22

23 Hearing re: Application of Young Conaway Stargatt & Taylor,
24 LLP as Special Counsel to the Trustee for Allowance of
25 Interim Compensation

1 Hearing re: Application of Williams, Barristers & Attorneys
2 as Special Counsel to the Trustee for Allowance of Interim
3 Compensation.

4

5 Hearing re: Application of Taylor Wessing as Special
6 Counsel to the Trustee for Allowance of Interim Compensation

7

8 Hearing re: Sixteenth Application of Windels Marx Lane &
9 Mittendorf, LLP for Allowance of Interim Compensation

10

11 Hearing re: Application of UGGC & Associates as Special
12 Counsel to the Trustee for Allowance of Interim Compensation

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14 Hearing re: Application of Triay Stagnetto Neish as Special
15 Counsel to the Trustee for Allowance of Interim Compensation

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17 Hearing re: Application of Werder Vigano as Special Counsel
18 to the Trustee for Allowance of Interim Compensation

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20 Hearing re: Application of Browne Jacobson, LLP as Special
21 Counsel to the Trustee for Allowance of Interim Compensation

22

23 Hearing re: Application of Eugene F. Collins as Special
24 Counsel to the Trustee for Allowance of Interim Compensation

25

1 Hearing re: Application of Kelley, Wolter & Scott, P.A. as
2 Special Counsel to the Trustee for Allowance of Interim
3 Compensation
4

5 Hearing re: Application of Cochran Allan as Special Counsel
6 to the Trustee for Allowance of Interim Compensation
7

8 Hearing re: Application of Spizz Cohen & Serchuk as Special
9 Counsel to the Trustee for Allowance of Interim Compensation
10

11 Hearing re: Motion to Approve R. 9019 Settlement Agreement
12 Between Trustee and Defendants
13

14 Hearing re: Motion to Extend Time to Elect to Assume or
15 Reject Lease of Non Residential Real Property
16
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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

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7 BY: ALAN NISSELSO

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14 BY: DAVID J. SHEEHAN

15 KEITH R. MURPHY

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22 BY: KEVIN BELL

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4 BY: MICHAEL B. WEITMAN

5

6 ALSO PRESENT TELEPHONICALLY:

7 KENT COLLIER

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P R O C E E D I N G S

THE COURT: Please be seated. Good morning.
Madoff.

MR. MURPHY: Good morning, Your Honor.

THE COURT: Good morning.

MR. MURPHY: Keith Murphy, Baker Hostetler for the
trustee. Your Honor, this morning we're here on the
trustee's application pursuant to Bankruptcy Rule 919 and
Section 105(a) of the Bankruptcy Code seeking approval of a
settlement between the trustee on the one hand and Defender
Limited, Reliance Management (BVI) Limited, Reliance
Management (Gibraltar) Limited, Reliance International
Research, LLC, Tim Brockmann, and Justin Lowe on the other
hands.

Your Honor, Defender was a Madoff feeder fund. It
invested all of its assets with BLMIS. It opened an account
with BLMIS in May 2007. In between that date and the
collapse of BLMIS in 2008 of December, Defender withdrew \$93
million from their account. Based on the trustee's
investigation he brought the instant adversary proceeding
against the defendant seeking to avoid and recover those
transfers.

The complaint also included claims against some of
the defendants alleging that they had received subsequent
transfers of the original transfers to defendant.

1 THE COURT: Those there is only one initial
2 transferee in this case?

3 MR. MURPHY: Correct. The trustee also sought in
4 his complaint to disallow the customer claim filed by
5 Defender to also equitably subordinate that claim. The
6 defendants disputed any liability with respect to the BLMIS
7 estate for the transfers and with respect to its litigation
8 against the defendants, Your Honor, the trustee has examined
9 information, including that obtained through BLMIS records,
10 Rule 2004 discovery and through deposition testimony of
11 multiple people.

12 THE COURT: How does the defendant have the
13 customer claim (indiscernible) fraudulent transfers?

14 MR. MURPHY: This particular customer actually as
15 principal --

16 THE COURT: Oh, it's a bad faith case?

17 MR. MURPHY: It's a bad faith case, yes.

18 THE COURT: Okay.

19 MR. MURPHY: After the complaint, Your Honor,
20 certain of the defendants filed a motion to dismiss
21 challenging personal jurisdiction. That is still open. It
22 hasn't been heard yet, but obviously it will not be
23 necessary anymore after this. The parties agreed to pursue
24 mediation in this case. We engaged former Judge Conrad to
25 be our mediator and SIPC, Securities Investor Protection

1 Corporation, also took a very active role in this mediation
2 during the process.

3 We mediated over several days in January 2015. We
4 did not reach a resolution during that time, but the parties
5 actually continued from January through March discussing and
6 negotiating. We did finally reach the settlement on March
7 26th I believe.

8 Your Honor, the principal terms of the agreement
9 are that at the closing, Defender is going to pay to the
10 trustee the full amount of the transfers, \$93 million. Upon
11 the closing the Defender customer claim is going to be
12 deemed allowed and equal in priority with other allowed
13 claims. In addition to their allowed claim, we're going to
14 give them 88 percent of the settlement payment as well on
15 top of that allowed claim.

16 THE COURT: As a customer claim or a general
17 claim?

18 MR. MURPHY: As a customer claim. There are
19 mutual releases in the settlement agreement, Your Honor, and
20 several of the defendants are also agreeing to continue with
21 discovery with us with respect to a different adversary
22 proceeding, which is still going on with the trustee.

23 Your Honor, we submit that the settlement falls
24 well within the range of reasonableness. The agreement
25 resolves all claims that are raised in the adversary

1 proceeding and would certainly avoid what would be a very
2 contentious litigation with respect to the trustee's claims.
3 The settlement is going to bring almost \$100 million into
4 the estate and it will benefit the fund of customer property
5 and this closure of this case will actually result in the
6 adversary proceeding being fully resolved. I would note
7 that there were no objections that were filed. My
8 colleague, John Pintarelli, who represents Defender, is
9 delayed on the subway. He would be here -- may be in here
10 momentarily.

11 THE COURT: He'd better be quick I guess.

12 MR. MURPHY: I think so. So, we request approval
13 of the agreement, Your Honor, unless you have any further
14 questions for us.

15 THE COURT: All right. Is there anyone that wants
16 to be heard? Yes.

17 MR. BELL: Your Honor, Kevin Bell on behalf of the
18 Securities Investor Protection Corporation. SIPC supports
19 the settlement which results in a payment and clarity on
20 Defender's claim. The payment will result in increasing the
21 allowed customer claims above the \$14 billion range and will
22 have a material effect on the motion the trustee filed once
23 it closes -- the trustee filed regarding the allocation
24 which will -- which is made -- the Court may have noted will
25 result in about \$0.56 on the dollar having been paid in this

1 liquidation proceeding.

2 THE COURT: Is that using the time damage funds
3 that have been segregated to make a distribution?

4 MR. BELL: Yeah. As the motion said yesterday,
5 these categories are deemed determined, which Defender was a
6 very large sum on a deemed determined claim. Defender will
7 now move into the allowed claim. That amount segregated out
8 in yesterday's motion will be reduced accordingly to allow
9 more payments which will probably put it above \$0.56 and
10 SIPC finds that this is an extremely well though, extremely
11 beneficial settlement and will result in a tremendous
12 benefit to the allowed customers who haven't been fully paid
13 as well as to the Defender claimants and SIPC supports and
14 encourages the Court to approve.

15 THE COURT: Does anybody else want to be heard?
16 All right, I'll approve the settlement. The only question
17 with a settlement like this is whether the settling parties
18 paying the full amount that's owed gets a 502(h) claim
19 because it's a fraudulent transfer claim. Whether it's a
20 claim against I guess the customer estate or against the
21 general estate, but those are certain difficult questions
22 and the settlement falls well within the lowest point within
23 the range of reasonableness so it's approved. You can
24 submit an order approving the settlement and a separate
25 order closing the adversary proceeding.

1 MR. MURPHY: Thank you, Your Honor.

2 THE COURT: Okay.

3 MR. SHEEHAN: Good morning, Your Honor. David
4 Sheehan, Baker Hostetler on behalf of the trustee.

5 This is the return date of the 17th application by
6 the trustee and Baker Hostetler for fees and expenses in
7 connection with the Madoff liquidation. In addition, we've
8 also brought an application with regard to all the counsel
9 who work with us throughout the world with regard to this
10 case and they are on for hearing today.

11 I should note at the outset two things. One,
12 there are no objections that were filed with regard to any
13 of these applications and secondly, a small administrative
14 detail, but one that should be noted, is that there was a
15 refund during the course of the period of about -- well,
16 it's not about -- it's actually \$12,597.96 with regard to
17 expenses that had been -- that we were seeking payment for
18 here in connection with Browne Jacobson. With that refund
19 having occurred recently we no longer need that so I wanted
20 to -- since it's going to reduce the amount being paid to
21 them by \$12,597.96, I thought we should certainly put it on
22 the record since the order will reflect that reduction and
23 on top of that that, you know, by putting it on the record
24 here everyone has notice of it. But I didn't think I had to
25 go through a renoticing, Your Honor, since it was just

1 reducing the amount being paid, and a rather insignificant
2 amount given the overall application to the Court.

3 THE COURT: Yes. I agree.

4 MR. SHEEHAN: In summary, Your Honor, just a
5 couple of things to report upon with regard to the time
6 period in question here. I'd like to focus today on
7 something that was reflected by the Defender application a
8 moment ago.

9 As Your Honor knows, we've broken these cases down
10 into different categories and in those categories we've
11 triaged them even further. For example, in good faith we've
12 broken them down into two-year only claims, two-year claims,
13 whether six-year a piece or hybrid claim and then secure
14 only claims. And up until December when the Second Circuit
15 decided the 546(e) opinion, we were being very successful in
16 settling a lot of the good faith cases at the clip of about
17 \$10 to \$15 million a month with a real surge in December
18 driven by year-end tax considerations so that overall almost
19 \$200 million was collected during the -- not just during the
20 reporting period, but for all of last year.

21 But I want to emphasize that there's been a steady
22 stream of two to three to four mediations a week given how
23 many cases we do have. I'm mindful of Your Honor's
24 admonition the last time we were together on a fee
25 application that, you know, we have a lot of these cases and

1 we're going to try to get rid of some and obviously we are.
2 We have a lot more clarity, even though we are seeking a
3 cert petition.

4 THE COURT: What's happening with that?

5 MR. SHEEHAN: Today -- we have filed our petition.
6 Today there are six amici that we'll be filing
7 (indiscernible) ranging from a Yale law professor and his
8 colleagues, on our side the National Association of
9 Bankruptcy Trustees, a feeder fund representative and a
10 number of amici have joined us in our petition and then
11 there will obviously be responsive briefs and we'll see what
12 the Court says. It might very well be that they ask the
13 solicitor general their position on this. They did the last
14 time we were up there on net equity so that may happen.

15 THE COURT: How many of the -- I know you have
16 other claims in these complaints, but with respect to the
17 avoidance claims, how many of the claims -- cases are these
18 two-year good faith cases or good faith cases which may only
19 be two-year good faith cases?

20 MR. SHEEHAN: Mr. Bell is very much better with me
21 on statistics, but he might even know, but it's several
22 hundred. It's not -- out of all those. It's not like
23 thousands. The majority of them are the hybrid claims, the
24 two and six-year components.

25 What we've been doing in those though, we've been

1 settling those too and the way we've been approaching those
2 is that we ask for a portion of the six-year. There's still
3 a risk. We'd like to think a significant risk. We'd like
4 to think that we're right. Of course we do. But the point
5 is that we have had people paying anywhere from 10 to 30
6 percent of the six-year amount just for finality, just to
7 put it behind them and settle the case.

8 THE COURT: If you couple it with an allowance of
9 their claim they're basically not going out of pocket.

10 MR. SHEEHAN: Well, in this situation most often
11 there's not a claim. It's a fictitious profits claim where
12 they've been overpaid and they have no claim other than the
13 last statement which has been obviously put aside by the net
14 equity decision.

15 I wanted just for Your Honor to know that and
16 that's not just happening in good faith cases, but, as Your
17 Honor knows because you had a hearing on Herald and Primeo,
18 those both came about as a result of the hard work of Peter
19 Horowitz and other mediators have worked on various cases.
20 They've all done a very fine job and we've had some real
21 successes again, as I say, Defender this morning, all not
22 during the reporting period, but very actively in the
23 reporting period.

24 Certainly Herald and Primeo a lot of the work did
25 occur during the reporting period then culminating in the

1 settlement in the next quarter. So all that work is going
2 on as well as substantial litigation, much of which appears
3 before Your Honor so you're very familiar with that.

4 July 6th came down the opinion during the
5 reporting period by Judge Rakoff with regard to
6 extraterritoriality. There has been significant work on all
7 those cases, many appearances before Your Honor, a pending
8 motion that everyone's working on right now. All of that
9 started during the reporting period and is culminating
10 hopefully by the end of June with a filing with Your Honor.

11 So, the firm has been very, very busy in that
12 regard as well as just ongoing cases, whether it be the
13 Merkin case, the Kingate case and the other cases that are
14 basically at the motion to dismiss stage or past that and
15 now into discovery and being prepared for trial. So a lot
16 of that work also took place during the reporting period.

17 With regard to our colleagues at Windels Marx, I
18 know they appear before Your Honor in connection with this
19 matter on a regular basis. Throughout their services have
20 been exemplary and extraordinarily helpful to the trustee.
21 We've gotten significantly good results. The Blumenthal
22 settlement, which Your Honor approved at the end of last
23 year, was as a result of the efforts of that firm, bringing
24 substantial dollars to the estate. And our other counsel,
25 Young Conaway, etcetera. All those people have been very,

1 very helpful to us in making all this happen.

2 With regard to the foreign there's many
3 applications and I've gone through some of those in the
4 past. Today I thought I'd just highlight two that I think
5 are principally the bulk of the hours. Over 4,000 hours was
6 spent by Browne Jacobson and it's on such a variety of
7 different things I just thought I'd give Your Honor
8 something of an insight there.

9 As I think I've explained before when we first
10 started the case during that first two-year period when we
11 were facing the statute, we wanted to be sure that we filed
12 protective actions just in case because we knew there would
13 be issues like extraterritoriality and issues like personal
14 jurisdiction. So we have protective actions, as I've
15 advised Your Honor before, in many, many jurisdictions.
16 Many of them are in the islands, the Caymans, BVI and
17 Bermuda, which still operates under the common wealth system
18 and therefore the counseling that we get from Browne
19 Jacobson is not only in the U.K., where we have many things
20 pending as well, for example Kingate there's a protective
21 action there, we spent a good deal of time after July 6
22 working on the Kingate bill of particulars, as it's called
23 in London as opposed to a complaint, reviewing that in
24 connection with Judge Rakoff's decision of what the
25 implications might be there, etcetera, in terms of comity

1 and other issues and things that we might have to address.
2 Browne Jacobson was invaluable obviously in that type of
3 endeavor.

4 The same thing was true with regards to the
5 complainants in Cayman, in BVI and Bermuda. As Your Honor
6 well knows, because we're here, we intend to litigate all
7 those cases here. We think Your Honor has jurisdiction. We
8 don't think there's an extraterritorial effect so that's
9 where we are. But at the same time we have to be active in
10 those cases. One of them, Primeo, which we did settle, got
11 so active that we were in the appellate panel in terms of
12 overall jurisdiction in the courts in the Caymans. Browne
13 Jacobson assisted us in that appeal.

14 Vizcaya is one that's been around for quite some
15 time. We got a default a long time ago and, again, the
16 development occurred in England. There was this case that
17 was there, the Ruben case and everyone thought that this was
18 a big breakthrough for default judgments. So much so that
19 one of the parties wanted to vacate their default to give
20 themselves a day in court here and deposit \$61 million. As
21 Your Honor might suspect, they're sort of reconsidering
22 their position based on the July 6th decision of Judge
23 Rakoff on extraterritoriality. They're seeing that as a
24 different set of facts. That is another case that probably
25 will end up in mediation at this point with an American

1 mediator, but with the mediation taking place probably in
2 the United Kingdom to accommodate all the counsel that are
3 representing the defendants in Vizcaya.

4 We want to resolve that if we can because, you
5 know, there's very difficult issues there and we have \$61
6 million here. If we can settle utilizing those funds I
7 think we'll have a much better outcome. Again, Browne
8 Jacobson very involved in assisting us in that effort.
9 That's just a sampling of what we do with them on a regular
10 basis that results in the significant hours that they've had
11 during the reporting period.

12 On top of that there's a lot of time, over 500
13 hours, for our Bermuda counsel and that emanates from the
14 fact that Kingate has an active ongoing litigation there,
15 the funds that we've sued that Quinn Emanuel represents here
16 in the United States and they have other counsel in Bermuda
17 and they are suing Kingate Management Limited, which was the
18 administrative arm created for it, as well as the trust
19 funds and the other defendants we have in our case under
20 their own cause of action.

21 Through good counseling, etcetera, we have our own
22 action there, but we've never consolidated. It makes more
23 sense and I could go through all the machinations of why,
24 but our cause of action, to be blunt, wouldn't be as favored
25 as the locally appointed liquidator so we're sort of

1 trailing it to see what happens. There is \$300 million of
2 their money in BVI. That's actually where it was
3 incorporated, but the liquidation is in Bermuda because
4 that's where KML was incorporated. So, we're chasing that
5 \$300 million and we have an injunction all that.

6 All of this work is being done by the barristers
7 with us and solicitors in Bermuda where the main action is.
8 So, while we're actively litigating here, we're not
9 participating in that litigation, but we clearly have to
10 stay on top of what's occurring there. It's very difficult
11 to get access, for example, to discovery. As Your Honor
12 probably well knows, unless a document becomes public in a
13 forum in the U.K. that document is not available. It just
14 stays between the parties. So, we actively monitor those
15 cases and try to get the documents that we can get available
16 to us, etcetera, since we're still actually in the beginning
17 stages of litigation in Kingate.

18 So that just highlights those two firms that are
19 out of many that represent us. The work done by the other
20 firms is very similar, not as active obviously because of
21 what's been occurring since July 6th. But those cases --
22 and as a matter of fact I should report that in many of
23 those cases those cases have slowed down because we're sort
24 of standing and waiting and seeing where we're going,
25 etcetera. They're not done there. There is monies on

1 deposit, for example, in Lichtenstein that we're watching
2 and things like that, but we're not actively pushing them so
3 the time you saw during this time period went down.

4 Overall, as Mr. Bell pointed out, he stole my
5 thunder a little bit talking about this, but what is the
6 ultimate goal of all of this? Obviously it's collecting
7 money to return to the customers and we so far, you know,
8 not during the reporting period, but through today that
9 collected \$10.6 billion, \$900 million plus, about \$909-\$910,
10 is going to be distributed as a result of the application we
11 filed yesterday which gets us, as Mr. Bell pointed out,
12 close to 56 percent.

13 I think the efforts of all of these counsel across
14 the globe and the efforts of obviously the trustee and Mr.
15 Nisselson and his firm, etcetera, get us those results
16 because, as somebody pointed out -- one of the wags that
17 likes to talk about this case -- is you know they've never
18 tried anything. Well, that's true. We actually haven't
19 ultimately tried a case yet. But what does it tell you that
20 people are settling with us? Not just the strength of the
21 code, somewhat battered by some of the decisions that we've
22 encountered here, but the code is so strong, but also that
23 we've put together great cases with great lawyers and people
24 see that we're the real deal and if you really are going to
25 go forward we're actually going to try this case and, as

1 Your Honor knows, there's always a risk. There's never a
2 guarantee of winning and I think, you know, they see that
3 and that's what results in these settlements. And we're
4 going to continue to do that. As many cases we can settle
5 we will, but it takes two people to do that and we try our
6 best to make that happen.

7 So, based on all that, Your Honor, I'd ask that in
8 light of no objections and the submissions that were made to
9 Your Honor we request that Your Honor approve our
10 applications here this morning.

11 THE COURT: Thank you.

12 MR. SHEEHAN: Thank you.

13 MR. BELL: Kevin Bell on behalf of SIPC. Your
14 Honor, now that we have seen the barrier of \$0.50 on the
15 dollar passed or soon to be passed, the sunshine is a little
16 brighter, but --

17 THE COURT: It may be the time of year.

18 MR. BELL: It's sunny today. But I think it's
19 also the effort of all these counselors, as Mr. Sheehan has
20 pointed out. As I have told the Court in the past, SIPC
21 reviews each and every time entry. SIPC is involved with
22 its oversight on this case. Every one of the applications
23 before the Court has gone through extensive reviews. We are
24 fully aware of the standard set forth in SIPA Section
25 78eee(b)(5)(C) in this type of case where there's really no

1 reasonable expectation at this minute, no matter how hopeful
2 I am, that in the end there will be that the monies that
3 SIPC has advanced or that there will be money for the
4 general estate in SIPC's advancement, the trustee who will
5 be filing his interim report soon will show that SIPC has
6 advanced over \$1 billion for administrative expenses in this
7 case, which will be the first priority payment out of any
8 general estate that's recovered by the trustee so we're
9 aware of all the responsibilities and we do hold the
10 responsibility that the law gives us in great respect.

11 So we do an extensive review and if you look at
12 our recommendation at paragraph three of the Windels'
13 recommendation or paragraph five of the Baker
14 recommendation, you will see a delineation of the reductions
15 that have occurred and you can assume that in each and every
16 application similar reductions of 10 percent of the normal
17 rate have occurred and that each and every time entry with
18 which we have a question there has been a discussion over
19 the period of time that these applications pertain and that
20 has happened from day one of this liquidation proceeding
21 because of SIPC's oversight.

22 We are very comfortable. The corporation is very
23 comfortable with regard to its recommendations here to the
24 Court as explained in the prior presentation by Mr. Murphy
25 and Mr. Sheehan's presentation of where this case is going

1 and, as I noted earlier with regard to the trustee's motion
2 yesterday with regard to the allocation that is set for
3 hearing on May 29th, I do expect if an order is granted at
4 that time that sometime in mid-June we will be able to
5 trumpet that we have exceeded \$0.56 and, not to steal too
6 much of Mr. Sheehan's thunder, there are very active
7 settlement negotiations and 9019s being worked on to raise
8 that number higher. That will be presented to the Court
9 sometime within the next two months.

10 So, this case is hot, it's active, it's well
11 fought and everybody who is involved, whether on the trustee
12 side or the other side, is very conscientious in doing this
13 situation because there are no winners in this case because
14 it is now in its seventh year. We have customers who have
15 not received their payments. As yesterday's motion said, a
16 customer who had \$1.125 million allowable claim has been
17 fully satisfied. The number of customer who have not been
18 fully paid, if the Court grants that motion, will sink below
19 1,000 and a large percentage of the monies that are owed are
20 due to feeder funds similar to Defender because you look at
21 the application and you see the number of deemed determines
22 are quite large and those are matters that are in discussion
23 and have been in discussion with very learned counsel on the
24 other side.

25 Hopefully at some point in time everybody sees the

1 light and, as Mr. Sheehan has pointed out, we are in the
2 Supreme Court. SIPC has filed its own petition in the
3 Supreme Court with regard to it. We are hopeful when the
4 responses are filed on or about May 16th and we file our
5 reply that we will have a decision by the Court by the end
6 of this term on June 25th, last conference date. But we
7 will -- and if they ask the solicitor general that may kick
8 it for six months or so based on past understandings in the
9 last petitioning that was up there.

10 So, just to sum up, SIPC supports strongly these
11 applications to the Court. We find that the services
12 performed are of the highest caliber. SIPC's oversight has
13 been some would say penurious, but we respect our
14 responsibility and we ask the Court to issue an order that
15 will grant these applications that are before the Court.
16 Thank you Your Honor.

17 THE COURT: Thank you. Does anyone else want to
18 be heard in connection with any of the applications? The
19 record should reflect there's no response. The applications
20 will be approved I guess subject to that reduction for
21 Browne --

22 MR. BELL: For Browne Jacobson of the \$12,000
23 plus.

24 THE COURT: SIPC has certified based on
25 representations to SIPC that there is no reasonable

1 expectation that there'll be enough money I guess in the
2 general estate to pay the administrative expenses so SIPC
3 will pay this amount and I'm inclined to accept its
4 recommendation regarding the fees since they don't deviate
5 from what the professionals are seeking. So you can submit
6 an order.

7 MR. MURPHY: Thank you, Your Honor.

8 MR. SHEEHAN: Thank you, Your Honor.

9 (Whereupon these proceedings were concluded at
10 10:37 AM)

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C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya
Ledanski Hyde

Digitally signed by Sonya Ledanski
Hyde
DN: cn=Sonya Ledanski Hyde, o, ou,
email=digital1@veritext.com, c=US
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Sonya Ledanski Hyde

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Date: April 17, 2015

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